

Community Development Block Grant **Operating Fund**

2005 Fund Balance Summary

The community development block grant (CDBG) fund typically realizes beginning year cash balances resulting from reprogramming of previous years' unspent funds and modest unappropriated cash balances. The amounts carried forward to 2003 and 2004 were \$2,400,805 and \$2,003,650, respectively; the 2005 beginning year cash balance is projected to be \$2,748,335. The bulk of these carryover funds is contained within the restricted revolving loan fund.

The following table reflects the 2005 fund balance assumptions:

2005 CDBG FUND BALANCE SUMMARY	
Projected Unencumbered Cash Balance (January 1, 2005)	\$ 2,748,335
Plus Estimated 2005 Receipts	<u>11,378,447</u>
Total Estimated Available Resources	14,126,782
Less 2005 Recommended Operating Budget	<u>(12,766,265)</u>
Projected Available Balance (December 31, 2005)	<u><u>\$ 1,360,517</u></u>

2005 Revenues

The entitlement award from the U.S. Department of Housing & Urban Development is expected to be approximately 60 percent of CDBG revenue in 2005. Entitlement allocations vary depending upon congressional legislative action. The award for the City of Columbus decreased 8.25 percent from 2002 to 2003 and 2.67 percent from 2003 to 2004. The 2005 award is projected to be 2 percent lower than 2004.

Economic development loan repayments account for approximately 12.75 percent of CDBG revenues for 2005. Individual large loan payoffs have inflated these revenues in recent years.

Housing loan repayments are expected to be approximately 13.23 percent of CDBG revenues in 2005.

Miscellaneous revenues include interest earnings on revolving loan funds (which must be remitted to HUD) and program income from activities such as the school's out program, loan repayments from the discontinued roof repair program, and environmental blight activities.

The following table summarizes CDBG revenues by type and year:

CDBG REVENUE BY SOURCE AND YEAR				
REVENUE SUMMARY	2002 Actual	2003 Actual	2004 Estimated	2005 Proposed
Entitlement	\$ 8,758,000	\$ 8,035,000	\$ 7,820,000	\$ 7,663,600
Economic Development Repayments	2,167,418	2,302,907	2,669,271	1,628,709
Housing Loan Repayments	2,331,416	1,845,743	1,466,077	1,689,629
Miscellaneous Receipts	400,937	603,336	511,323	396,509
Carryover, Reprogrammed funds	3,601,338	2,400,815	4,136,880	2,748,335
TOTAL RESOURCES	\$ 17,259,109	\$ 15,187,801	\$ 16,603,551	\$ 14,126,782
PERCENT CHANGE		-12.0%	9.3%	-14.9%

2005 Proposed Operating Budget

In 2005, CDBG activities are divided into four primary themes: affordable housing opportunity, neighborhood and target area revitalization, economic development and economic opportunity, and supportive services. All activities satisfy one of two basic federal mandates: the elimination of slum and blight or benefit to low- and moderate-income families and individuals. In implementing the CDBG budget process, the city solicits significant community input for developing priorities and the funding of activities.

The four primary themes and activities are further defined below:

Affordable Housing Opportunity

The activities funded under this theme support the current level of housing options and related services for special needs populations, expand the conservation and improvement of existing affordable owner and renter housing in targeted areas, increase opportunities for low- and moderate-income households to become and remain homeowners, and ensure equal access to housing.

The largest activities within affordable housing opportunity are the affordable housing opportunity fund which provides for housing rehabilitation, housing accessibility modifications and senior citizen home maintenance; the emergency repair program which responds to emergency electrical, plumbing, and heating conditions; the homebuyer counseling and housing development contracts which provide funding to agencies that enhance the city's efforts to increase homeownership opportunities; the homeless prevention and crisis transition program which will provide assistance to households in danger of losing their housing; and the housing services staff to operate the mobile tool library. Also funded under affordable housing opportunity is the fair housing services contract, the relocation and housing administrative staff, and the AIDS housing program. The affordable housing opportunity component includes a total of 12 activities totaling \$5,165,934, or 41 percent of the 2005 CDBG budget.

Neighborhood and Target Area Revitalization

The neighborhood and target area revitalization programs seek to enable residents to play a greater role in community leadership, self-help, advocacy and development issues; to provide technical and financial assistance to community-based organizations in order to address neighborhood needs; to improve the infrastructure and physical environment of Columbus' central city neighborhoods; and to preserve and promote the character and assets of neighborhoods and target areas.

Notable activities are the code enforcement program which is responsible for property inspections and is a major participant in the neighborhood pride initiative; the contract with the Columbus Compact that will provide for the implementation of the Columbus empowerment zone; the environmental nuisance program which abates weeds and solid waste within the community development service area; the land reutilization program, which allows the city to designate and acquire certain tax delinquent properties for redevelopment; and the surf program which provides for a neighborhood environmental abatement program in ten neighborhoods. The neighborhood and target area component includes a total of 7 activities totaling \$1,866,648, or 15 percent of the 2005 CDBG budget.

Economic Development and Economic Opportunity

This theme seeks to create and maintain a favorable business environment in low- and moderate-income areas while generating employment, business growth and consumer services; to promote thriving small and emerging for profit and non-profit businesses throughout Columbus; to increase low- and moderate-income individuals access to regional job markets and locations; and to improve public infrastructure in commercial and industrial areas.

The economic development loan fund, seeks to promote low- and moderate-income job creation. The fund provides working capital to small businesses with an emphasis on minority owned businesses and provides fixed asset financing to business borrowers that create jobs through expansion. The neighborhood support fund provides monies to neighborhood-based organizations to develop and implement their own economic development projects, initiatives, and services. The Columbus Urban Growth Corporation will acquire and develop unused or underutilized land in targeted areas on behalf of the city's Department of Development. Economic development includes a total of 8 activities totaling \$3,666,189, or 29 percent of the 2005 CDBG budget.

Supportive Services

The supportive services goals are to make Columbus neighborhoods safer places in which to live, work and raise a family; to meet the comprehensive health needs, including health management skills, within our neighborhoods and target areas; to assist families and individuals moving from poverty or public

assistance to stability or self-sufficiency; and to provide a coordinated system of childcare, education and development services for children, teens and families.

All activities funded under supportive services require direct benefit to low- and moderate-income citizens. Notable among these are the pregnancy support program which impacts high-risk pregnant women through active community outreach; the capital kids program which provides out-of-school programming for Columbus children; the sexual health awareness program which seeks to reduce STD/HIV infection, unwanted pregnancies and high-risk sexual activities; and the school's out program which funds a day camp for children on days that the Columbus public schools are not in session. Supportive services include a total of 5 activities totaling \$974,951, or 7 percent of the 2005 CDBG budget.

The CDBG budget also provides monies for programmatic support. Most notable is the loan servicing contract which provides for assistance in the administration of both the housing and economic development loan portfolios. Programmatic support includes a total of 5 activities totaling \$1,042,543, or 8 percent of the 2005 CDBG budget.

The following table summarizes the 2005 community development block grant fund recommended appropriation levels:

2005 CDBG PROPOSED OPERATING BUDGET							
DIVISION	PERSONNEL	SUPPLIES	SERVICES	OTHER	EQUIPMENT	TRANSFERS	TOTAL
Mayor's Office of Ed.	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Development - Admin.	722,420	3,146	4,600	0	-	-	730,166
Economic Development	972,187	7,750	2,641,920	0	-	-	3,621,857
Neighborhood Services	1,099,767	5,000	355,037	0	-	-	1,459,804
Planning	141,952	1,000	3,800	0	-	-	146,752
Housing	1,794,696	26,233	1,576,937	1,343,241	-	-	4,741,107
Finance	430,345	10,250	457,140	50,000	-	-	947,735
Health	316,448	0	0	0	-	-	316,448
Recreation and Parks	183,501	5,377	54,049	500	-	-	243,427
Refuse	0	0	155,287	0	-	-	155,287
Transportation	153,682	0	0	0	-	-	153,682
TOTAL	\$ 6,064,998	\$ 58,756	\$ 5,248,770	\$ 1,393,741	\$ -	\$ -	\$ 12,766,265